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Financing of the United Nations Mission in Ethiopia and Eritrea

Report of the Secretary-General

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Summary

The present report provides details on the proposed donation of the assets of the United Nations Mission in Ethiopia and Eritrea (UNMEE) to the Government of Ethiopia, the Government of Eritrea and the African Union. The inventory value of the Mission's assets proposed for donation to the Government of Ethiopia and the Government of Eritrea amounts to $7,480,600, representing 13.3 per cent of the total UNMEE assets inventory value of $56,218,700.

The proposed donation to the African Union of assets with inventory value of $6,911,400, representing 12.3 per cent of the total UNMEE assets inventory value, would enable the African Union to enhance the operational capabilities of the African Union Mission in Somalia.

In section V of the report it is recommended that the General Assembly approve the donation of UNMEE assets to the Governments of Ethiopia and Eritrea and the African Union.

I. Introduction

1. The mandate of the United Nations Mission in Ethiopia and Eritrea (UNMEE) was established by the Security Council in its resolutions 1312 (2000) and 1320 (2000). In its resolution 1798 (2008), the Council extended the mandate of UNMEE for a period of six months, until 31 July 2008. By its subsequent resolution 1827 (2008), the Council decided to terminate the mandate of the Mission effective on 31 July 2008. Accordingly, on 1 August 2008 the Mission commenced its administrative liquidation, including the process of the disposition of its assets.

2. In accordance with financial regulation 5.14 of the Financial Regulations and Rules of the United Nations, the Mission's asset disposal plan provides for the progressive transfer of assets, where feasible and economical, to other peacekeeping operations of the United Nations, to the United Nations Logistics Base at Brindisi, Italy for temporary storage or to other United Nations activities funded from assessed contributions, as well as for their disposition through sale to United Nations agencies, funds and programmes or commercial disposal, if circumstances so permit. Information on the actual disposition of all assets of the Mission, including those proposed for donation to the Government of Ethiopia, the Government of Eritrea and the African Union, will be provided in the context of the final disposition of assets report of UNMEE to be submitted for consideration by the General Assembly at its sixty-fourth session.

3. Regulation 5.14 (e) of the Financial Regulations and Rules of the United Nations stipulates that any assets which have been installed in a country and which, if dismantled, would set back the rehabilitation of that country shall be provided to the duly recognized Government of that country in return for compensation in a form to be agreed upon by the Organization and the Government. This refers in particular to airfield installations and equipment, buildings, bridges and mine-clearing equipment. Where such assets cannot be disposed of in this manner or otherwise, they will be contributed free of charge to the Government of the country concerned. Such contributions require the prior approval of the General Assembly.

4. The selection of assets proposed for donation has been guided by the provisions of regulation 5.14 and is based on a determination that the assets are not required, nor are they suitable for transfer to other missions or for temporary storage at the United Nations Logistics Base at Brindisi. Furthermore, the cost of dismantling, refurbishing, packing and shipping these assets would render their transfer largely uneconomical.

II. Donation of assets to the Government of Ethiopia

5. In the context of its administrative liquidation, UNMEE has identified for donation to the Government of Ethiopia, on a free-of-charge basis, assets with inventory value of $1,398,500 (corresponding residual value of $421,800), representing 2.5 per cent of the total inventory value of the Mission's assets amounting to $56,218,700.

6. The donation of those assets, comprising primarily prefabricated facilities and information technology equipment (computers and printers), would enhance the operational capabilities of the Government of Ethiopia.

7. A summary of assets proposed for donation to the Government of Ethiopia is shown in table 1 below.

Table 1
Summary of assets proposed for donation to the Government of Ethiopia
(Thousands of United States dollars)

Category	*Inventory value*	*Residual value as at 31 October 2008*
Prefabricated facilities	938.0	361.1
Miscellaneous facilities and infrastructure (construction equipment)	12.1	3.5
Electrical equipment	6.3	1.3
Generators	3.9	1.3
Water and septic tanks	6.4	1.5
Accommodation equipment	39.2	11.2
Office furniture	3.7	3.7
Security and safety equipment (metal detector, mine warning signs)	12.6	3.6
Information technology equipment	367.3	31.7
Medical supplies	9.0	2.9
Total	**1 398.5**	**421.8**

III. Donation of assets to the Government of Eritrea

8. In the context of its administrative liquidation, UNMEE has identified for donation to the Government of Eritrea, on a free-of-charge basis, assets with inventory value of $6,082,100 (corresponding residual value of $2,299,300), representing 10.8 per cent of the total inventory value of the Mission's assets amounting to $56,218,700.

9. The donation of those assets, comprising primarily prefabricated facilities, generators and accommodation equipment, would enhance the operational capabilities of the Government of Eritrea, especially for rehabilitation of the communities in the former temporary security zone.

10. A summary of assets proposed for donation to the Government of Eritrea is shown in table 2 below.

Table 2
Summary of assets proposed for donation to the Government of Eritrea
(Thousands of United States dollars)

Category	*Inventory value*	*Residual value as at 31 October 2008*
Prefabricated facilities	4 805.4	1 915.5
Miscellaneous facilities and infrastructure (construction equipment, workshop equipment, tools)	27.5	9.1
Electrical equipment	74.3	13.4
Generators	438.3	159.0
Water and septic tanks	26.3	9.8
Fuel tank and pumps	164.2	38.6
Accommodation equipment	331.7	94.7
Office equipment	13.2	3.7
Air operations equipment and supplies	25.9	6.1
Communication equipment	82.3	28.5
Information technology equipment	87.9	19.7
Medical supplies	5.1	1.2
Total	**6 082.1**	**2 299.3**

IV. Donation of assets to the African Union

11. In his letter to the President of the Security Council dated 19 December 2008 (S/2008/804), the Secretary-General proposed a number of options that could be undertaken immediately to support implementation of the Djibouti Peace Agreement and contribute to enabling the conditions required for the eventual deployment of a United Nations peacekeeping operation in Somalia. Those options contained proposals for the reinforcement of the African Union Mission in Somalia (AMISOM), including, inter alia, a proposal for the immediate in kind enhancement of AMISOM through the transfer of approximately $7 million worth of assets, subject to approval by the relevant legislative bodies, following the liquidation of UNMEE. As indicated in paragraph 7 of the annex to the letter, the transfer would include assets essential to the ability of AMISOM to support additional troops, including prefabricated accommodation, electricity generators, air-conditioning units, ablution units and soft-skin vehicles.

12. The Security Council, in its resolution 1863 (2009) of 16 January 2009, expressed, inter alia, its intent to establish a United Nations peacekeeping operation in Somalia as a follow-on force to AMISOM, subject to a further decision of the Council by 1 June 2009, and welcomed the recommendations contained in the Secretary-General's letter of 19 December 2008 on strengthening AMISOM, including his proposal for immediate in kind enhancement of AMISOM through the transfer of assets following the liquidation of UNMEE.

13. In this connection, in order to assist the African Union in supporting AMISOM, the approval of the General Assembly is sought for the donation to the African Union, on a free-of-charge basis, of UNMEE assets with inventory value of

$6,911,400 (corresponding residual value of $1,967,900), representing 12.3 per cent of the total inventory value of the Mission's assets amounting to $56,218,700.

14. The donation of these assets, comprising primarily prefabricated buildings, including ablution units and associated equipment, generators, air conditioners and soft-skin vehicles, would enable the African Union to enhance the operational capabilities of AMISOM.

15. A summary of assets proposed for donation to the African Union in support of AMISOM is shown in table 3 below.

Table 3
Summary of assets proposed for donation to the African Union for its mission in Somalia
(Thousands of United States dollars)

Category	*Inventory value*	*Residual value as at 31 October 2008*
Prefabricated facilities	2 071.6	821.1
Miscellaneous facilities and infrastructure	27.0	8.2
Electrical equipment	3.0	1.1
Refrigeration equipment	31.4	7.4
Generators	377.0	137.4
Fuel tank and pumps	123.3	48.4
Accommodation equipment	384.7	117.1
Office furniture	16.9	4.4
Office equipment	169.4	48.9
Security and safety equipment	30.8	10.5
Vehicles	3 584.8	736.4
Public information equipment	39.6	12.8
Medical equipment	51.9	14.2
Total	**6 911.4**	**1 967.9**

V. Actions to be taken by the General Assembly

16. **The actions to be taken by the General Assembly at its sixty-third session in connection with the financing of UNMEE are:**

(a) **To approve the donation of assets with an inventory value of $1,398,500 and corresponding residual value of $421,800 to the Government of Ethiopia on a free-of-charge basis;**

(b) **To approve the donation of assets with an inventory value of $6,082,100 and corresponding residual value of $2,299,300 to the Government of Eritrea on a free-of-charge basis;**

(c) **To approve the donation of assets with an inventory value of $6,911,400 and corresponding residual value of $1,967,900 to the African Union in support of AMISOM on a free-of-charge basis.**